

# Investment Sale

Regent House, Consort House & Imperial Arcade, East Street, Bedminster, Bristol BS3 4HH

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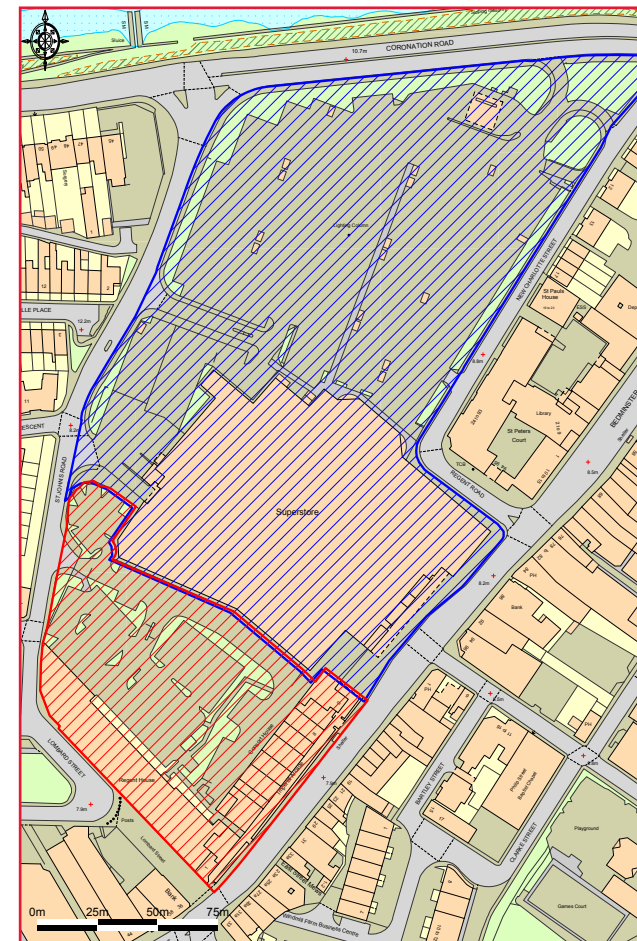
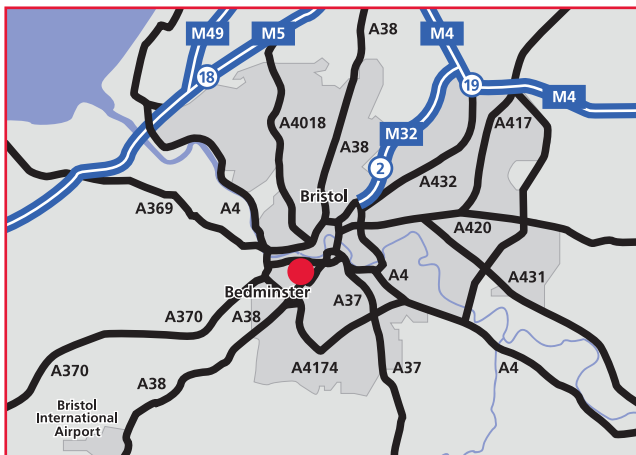
Investment/Development Opportunity



### Executive Summary

- Multi let city centre retail and office investment with asset management opportunities.
- Core location adjacent to Asda Supermarket and the established East Street retail pitch.
- A popular suburb of Bristol that has witnessed a number of successful and high profile residential developments in recent years, including Airpoint, St Peters Court and The Robinsons Building totalling over 500 apartments.
- The property provides a total NIA of 92,104 sq ft, encompassing 81,524 sq ft of offices and 10,580 sq ft of retail accommodation.
- Surface car parking for 197 vehicles, providing an overall ratio of 1:467 sq ft.
- Opportunity to pursue asset enhancement strategy through lettings, rent reviews and lease re-gears.
- Significant potential residential development of Regent and Consort House (subject to planning), over a total of 81,524 sq ft NIA.
- The combined total income from eleven separate leases is **£854,912 pa**.
- We are seeking offers in excess of **£5,000,000 (Five Million Pounds)** exclusive of VAT subject to contract for the benefit of the freehold interest.
- An attractive Net Initial Yield of **16.16%** after allowing for purchaser's costs of 5.80%.
- A Gross Capital Value of only **£54** per sq ft.

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## Location

The city of Bristol is the commercial capital of the Southwest of England and the third largest financial centre in the United Kingdom. It is located approximately 120 miles west of London, 80 miles south of Birmingham and 40 miles to the east of Cardiff.

Bristol has a diverse range of public and private employers which includes healthcare, government and aerospace operators.

The main employers in Bristol are United Bristol Healthcare NHS Trust (13,000), Airbus UK (8,000), North Bristol NHS Trust (4,500), British Aerospace Plc (4,000) and Vehicle & Operator Services Agency (3,500).

## Rail

Intercity rail services serve both Bristol Parkway and Bristol Temple Meads stations with a journey time from Bristol Temple Meads to London Paddington of approximately 1 hour 35 minutes.

Bedminster benefits from its own railway station (0.2 miles from the subject property), operated by First Great Western. Services run between Bristol Parkway and Weston-super-Mare, with peak services from Cardiff to Taunton. Journey time to Bristol Temple Meads is less than 5 minutes.

## Road and Air

Road communications are excellent, with the M5, M4 motorway interchange situated to the northwest of the city, providing access to the remainder of the motorway network. The M32 motorway provides a fast link from the city centre to Junction 19 of the M4, some 4 miles to the northeast. The M48 and M49 motorways give access to South Wales via both Severn crossings.

Bristol benefits from its own airport located approximately 7 miles to the southwest in addition to a sea port at Avonmouth 8 miles to the northwest.

## Situation

The subject property is situated in the centre of Bedminster, a popular suburb of Bristol, located approximately 1 mile to the south of the city centre. The subject has return frontage onto Lombard Street, with access to the car park off St Jones Road at the rear.

The premises front East Street, which is Bedminster's prime retail pitch. Imperial Arcade forms a busy thoroughfare linking the prime pedestrianised area of East Street directly with the adjoining Asda and the suburbs' main car park. East Street provides direct access to Coronation Road (A370) to the north, running parallel with the River Avon.

The Asda supermarket comprises the primary food store for Bedminster, with the nearest competition over 2 miles to the west.

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Bedminster is a popular residential district, which has witnessed significant residential redevelopment in recent years. Landmark schemes such as St Peters Court, The Robinsons Building and Airpoint have delivered over 400 apartments, together with other successful smaller developments from a mix of national, regional and local house builders.

## Description

The property comprises three buildings known as Regent House, Consort House and Imperial Arcade. In addition to Asda supermarket, which has been sold off on a long leasehold basis.

### Regent House

The property comprises a large brick built Victorian building, which was comprehensively reconstructed 15 years ago behind a Grade II Listed façade.

The offices are fitted out to a high standard with suspended ceilings, recessed strip lighting, carpet tiled floors, painted and plastered walls and air conditioning units. Several offices on the 1st and 2nd floors benefit from feature specification; oak paneling, ornamental fireplaces and decorative plastered ceilings.

### Consort House

Consort House forms part of a former three-storey Grade II Listed Victorian tobacco factory (previously occupied by Wills) which was substantially redeveloped and converted in the 1980's to provide ground floor retail units with offices above.

Access to the office is via the main reception at Imperial Arcade or from the rear car park. The well-specified offices provide raised timber floors, suspended ceilings with integral fluorescent lighting, a lift and tenants' installed air conditioning cassettes. Windows throughout are double glazed.

### Imperial Arcade

The ground floor of Regent House and Consort House, which fronts East Street, is subdivided to provide nine retail units, each individually fitted out by the current tenants.



Photo taken during tenant's occupation

197 car parking spaces are located to the rear of the subject. Providing a good ratio of 1:467 per sq ft overall.

### Asda Supermarket (Sold off on a Long Leasehold basis)

The supermarket was constructed separately in the late 1980's, of steel frame construction with brick elevations under a flat asphalt covered roof. The modern 80,000 sq ft supermarket provides approximately 600 car parking spaces, with access via St John's Road and exits onto Coronation Road. A small part of the store has been subdivided into retail units.

## Tenure

The property is held freehold. The site extends to a total of 2.776 acres (excluding the Long Leasehold element let to Asda, hatched blue on the OS plan).

## Covenant

Over 90% of the income is let to the undoubted Lloyds TSB Bank plc. The remainder is let to a mixture of national, local and independent retailers and we highlight the available financial data below:

Tenant	Year To	Turnover £000s	Pre tax profits (Loss) £000s	Net Worth £000s
Lloyds TSB	31.12.2010	62,555,000	725,000	41,379,000
Bank Plc	31.12.2009	29,145,000	(4,378,000)	11,199,000
	31.12.2008	20,348,000	825,000	6,813,000
Asda Stores Limited	31.12.2010	20,535,300	491,800	4,231,000
	31.12.2009	19,818,600	571,100	3,990,000
	31.12.2008	18,569,839	497,176	2,730,063
Specsavers Optical	28.02.2011	390,791,000	21,261	80,512
Superstores Limited	28.02.2010	389,909,000	21,768	66,797
	28.02.2009	341,452,000	26,504	56,689

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## Tenancies

The buildings are let on 11 tenancies to 9 tenants.

Unit	Tenant	Area		Lease Dates		Current Rent		Comments
		Sq M	Sq Ft	Start	Expiry (Break)	£ pa (£ psf)		
<b>Office</b>								
Regent House	Lloyds TSB Bank Plc	5,178.13	55,737	29/9/06	28/9/12	£530,812 (£9.52)	Schedule of condition available upon request. Inside the provisions for security of tenure of the L&TA 1954 125 car parking spaces Car Parking Ratio 1:446 sq ft	
Consort House	Lloyds TSB Bank Plc	2,395.69	25,787	29/9/87	28/9/12	£257,500 (£9.99)	Sub-let from Computershare Services Limited. Inside the provisions for security of tenure of the L&TA 1954 60 car parking spaces. Car Parking Ratio: 1:430 sq ft	
<b>Office Sub Total</b>		<b>7,573.82</b>	<b>81,524</b>			<b>£788,312 (£9.67)</b>	<b>185 Car Parking Spaces Car Parking Ratio 1:441 sq ft</b>	
<b>Retail</b>								
Unit 1 Imperial Arcade	Hair & Beauty Bank Ltd (Crew Hair Co)	45.71	492	18/9/09	17/9/14	£7,500 (£15.24)	Fixed uplifts: Year 2-£6,000 Year 3 = £7,500, Year 4 = £7,800, Year 5 = £8,112. Rent deposit £2,000. Rents include service charge.	
Unit 2 Imperial Arcade	Age Concern	99.41	1,070	11/3/11	10/3/21 (10.3.16)	£9,600 (£8.97)	Upward only market rent reviews every five years.	
Unit 3 Imperial Arcade Ground/First	Vacant	131.36 36.79	1,414 396			-		
Unit 4 Imperial Arcade	Mr G Sheppard	112.59	1,212	26/8/10	25/8/15 (25.8.13)	£6,500 (£5.36)	Fixed uplifts: Year 1: £12,000, Year 2 = £6,500. Year 3 = £12,000, Year 4 & 5 = £12,500 pa. Landlord and Tenant's break option. Rent deposit £3,000.	
Unit 5 Imperial Arcade	Specsavers Optical Superstores Limited (Specsavers Opticians)	103.49	1,114	25/10/02	24/03/12	£11,250 (£10.10)	A lease renewal of 10 years with a break at year 5, at the current rental level, is agreed and in solicitors hands. 18 months rent free - Vendor to top-up.	
Unit 6 Imperial Arcade	Vacant	102.93	1,108			-		
Unit 7 Imperial Arcade	BSNL Limited (Post Office)	107.48	1,157	25/6/10	24/6/25	£9,400 (£8.12)	Upward only market rent reviews every 5 years.	
Unit 8 Imperial Arcade	Knight & Thomas Ltd	97.45	1,049	18/12/02	17/12/17	£9,500 (£9.06)	Upward only market rent reviews every 5 years.	
Unit 9 Imperial Arcade	Specsaver Optical Superstores Limited (Specsavers Opticians)	145.67	1,568	25/3/87	24/3/12	£11,850 (£7.56)	A lease renewal of 10 years with a break at year 5, at the current rental level, is agreed and in solicitors hands. 18 months rent free - Vendor to top-up.	
Supermarket	Asda Stores Limited (Asda)			25/3/88	24/3/2113	£1,000	Supermarket, petrol filling station and car parking for circa 600 vehicles	
<b>Retail Sub Total</b>		<b>982.91</b>	<b>10,580</b>			<b>£66,600 (£6.29)</b>	<b>12 Car Parking Spaces</b>	
<b>Total</b>		<b>8,556.73</b>	<b>92,104</b>			<b>£854,912</b>		

### Development

Subject to securing the necessary planning consents and vacant possession, we consider the office buildings present a significant opportunity to convert to residential accommodation.

Many similar former warehouse style buildings in the locality have been converted to provide residential accommodation. This includes:-

- The Robinson Building on Norfolk Place, which was recently converted to provide a total of 100 apartments.
- St Peters Court, Bedminster Parade, immediately to the North East of the subject property, provides 86 apartments, health centre, art gallery, offices, library and restaurant. The development was completed in 2007.
- Airpoint, West Street, Bedminster, 355 apartments completed in 2008.

These schemes in Bedminster have been very well received by the market, and there is a shortage of supply of new residential stock in the city centre and the region.

### VAT

We understand that the property is elected for VAT.

### Proposal

We are seeking offers in excess of **£5,000,000 (Five Million Pounds)**, exclusive of VAT subject to contract, for the benefit of the freehold interest which after allowing for purchaser's costs of 5.80% will provide an attractive **Net Initial Yield of 16.16%** and a Gross Capital Value of approximately **£54** per sq ft.



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Further information on the property can be obtained from:  
**[www.lshinvestmentsales.co.uk](http://www.lshinvestmentsales.co.uk)**

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